

costs of \$6.00 per change include fixed costs, such as training. Thus, it is simply untrue, as the RBOCs claimed, that demand is unnecessary to calculate the projected costs. A higher demand would result in a lower loading of training per RESPORG change. The RBOCs have not provided nor justified their demand assumptions.

In conclusion, MCI respectfully requests that the Commission disallow from the RBOCs' rates the costs for intrastate 800 data base service, costs associated with the CIC expansion, and significant undocumented increases in Bellcore software costs. Additionally, the meager information provided by the RBOCs on other cost issues is insufficient to justify their SMS rates. MCI, therefore, also requests that the Commission require the RBOCs to supplement the record so that the parties can fully evaluate the reasonableness of these rates.

**B. THE RBOCS HAVE NOT JUSTIFIED SOME OF THE 800 SMS TARIFF TERMS AND CONDITIONS**

The RBOCs have failed to justify the reasonableness of some of their 800 SMS terms and conditions. Any entities, no matter how experienced in the communications industry, may act as RESPORG. However, the conduct of every RESPORG using the SMS can affect the quality of service that other RESPORGs are able to provide for their customers. Thus, the SMS Tariff should clearly delineate the responsibilities that RESPORGs undertake as purchasers of SMS access service and implement procedures to safely provide administrative services to RESPORGs. First, the RBOCs reference,

but do not incorporate, some important industry guidelines in the SMS Tariff.<sup>220/</sup>

The RBOCs claim that referencing other documents

is common practice in access tariffs, and the documents referred to in this tariff are appropriate for incorporation . . . To meet the need for both a definitive tariff and flexible guidelines, the SMS/800 Tariff does include those elements of the Guidelines that are truly defined as SMS/800 requirements (e.g., limiting the number of days a number can remain in reserved status, limiting the quantity of numbers that any given Resp Org can hold in reserve, etc.).<sup>221/</sup>

MCI disagrees that all important SMS/800 requirements have been incorporated. To the contrary, certain significant requirements are missing. For example, industry guidelines "to insure that RESPORGs coordinate the placement of service orders with the carriers that are affected by them" were considered so critical that the Commission required that they be incorporated into the SMS access tariff.<sup>222/</sup> Failure to follow them could result in network failure or loss of 800 service. Yet, the RBOCs, thus far, have failed to comply.

Other important guidelines are inconsistent with the SMS Tariff. Confusion could easily result as the SMS Tariff provides that it will prevail whenever there is a conflict between the

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<sup>220/</sup> RBOCs at 8-10.

<sup>221/</sup> RBOCs at 9 [footnote omitted].

<sup>222/</sup> Provision of Access for 800 Service, CC Docket 86-10, Order, 8 FCC Rcd. 1423 (1993), at 1428.

tariff and the referenced industry guidelines.<sup>223/</sup> For example, the SMS Tariff strictly prohibits the assignment of an 800 number to more than one subscriber.<sup>224/</sup> However, explanatory definitions and limited exceptions proposed in the industry guidelines are in conflict with the letter of the tariff.<sup>225/</sup> Access purchasers may easily become confused. Also, the RBOCs recognize 800 number reservation guidelines as critical SMS/800 requirements. They also note that the guidelines are about to be changed, but do not specifically commit to incorporating the changes into the tariff.<sup>226/</sup> At a minimum, inconsistencies could cause uncertainty for RESPORGs attempting to responsibly provide service to 800 subscribers. Thus, the RBOCs should revise their SMS Tariff to incorporate provisions consistent with industry guidelines.

The RBOCs' SMS Tariff is also unreasonable in that it fails to incorporate the Commission's clear prohibition against the sale of vertical features by the LECs to parties other than those who directly purchase network access from the LECs. RESPORGs should be notified of this restriction in the SMS Tariff and apprised of

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<sup>223/</sup> Section 2.1.1.(D)(5) of the SMS Tariff provides that the "[i]n the event of a conflict between this tariff and the [Industry] Guidelines [for 800 Data Base], provision of this tariff shall apply."

<sup>224/</sup> See SMS Tariff Section 2.3.1(A)(6).

<sup>225/</sup> See, e.g., Industry Guidelines for 800 Number Administration, Section 5, Glossary, definition of Shared Use 800 Service.

<sup>226/</sup> RBOCs at 13.

their obligation to assure that service has been established with each 800 service provider.

Additionally, some of the RBOCs' billing and credit provisions are unreasonable. The RBOCs have incorporated in their tariffs the ability to charge access purchasers based on estimated billings.<sup>227/</sup> Clearly, the RBOCs should be required to document the services purchased by the RESPORG prior to expecting payment.<sup>228/</sup> Further, the SMS Tariff provides for a credit allowance only when downtime exceeds three hours.<sup>229/</sup> Downtime can in some instances have a serious impact on service. Thus, RESPORGs need the SMS system available twenty-four hours a day, and a threshold of three hours prior to a credit allowance is unreasonably high.

Finally, the RBOCs' process for the administrator of the 800 Number Administration and Service Center (NASC) to make RESPORG changes to the SMS is unworkable.

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<sup>227/</sup> See SMS Tariff Section 2.4.1(H).

<sup>228/</sup> The problem is not alleviated by SMS Tariff Section 2.4.1, which requires the RBOCs to furnish, only "if available," such detailed information as may reasonably be required for verification of any bill.

<sup>229/</sup> SMS Tariff Section 2.4.2.

In its RESPORG Change Order, below, the Commission determined that the NASC would be preferable to a competitor for making RESPORG changes:

The public interest is not well served by a system requiring that an 800 service provider serving as RESPORG receive advance notice that a customer is, at a minimum, transferring its 800 account coordination to a third party -- often a competitor -- and quite possibly shifting most if not all of its business to a competitor as well. Such changes obviously have particular competitive significance since they affect a customer's entire account and we find that advance notice confers an unfair market advantage on the incumbent carrier, who has a great incentive to resist them.<sup>230/</sup>

Yet, the NASC process has been so prolonged, expensive and, unexpectedly, fraught with error, that RESPORGs have been reluctant to use it and have resorted to relying upon their competitors. Unanticipated unauthorized RESPORG changes occurred because prospective RESPORGs were not able to adequately verify the authority of the signing customer. Since the NASC currently has no responsibility to verify such changes, several unauthorized RESPORG changes have involved the NASC.

MCI supports devising a verification process that will not compromise customer proprietary information or be overly costly to the industry and requests that the Commission encourage the industry to quickly develop impartial NASC verification procedures.

Further, MCI requests that the RBOCs be required to establish a procedure whereby 800 end user subscribers can add additional security to prevent the unauthorized transfer of 800 numbers which

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<sup>230/</sup> In the Matter of Provision of Access for 800 Service, Order, CC Docket No. 86-10, 8 FCC Rcd. 1844 (1993) (RespOrg Change Order), at para. 10.

are critical to their operations. For example, MCI is the end user subscriber for 800 numbers used to provide its shared use Personal 800 Service. MCI has requested that the NASC not allow any of these numbers to be transferred to another carrier, as such a transfer will interrupt service for all customers on the shared 800 number.<sup>231/</sup> However, the NASC has not implemented any procedures to allow for such a restriction. MCI urges the Commission to require a limited procedure to restrict transfer of critical numbers. Of course, this procedure would need to be tightly controlled to prevent interference with 800 portability.

Unfortunately, verification procedures are not the only barrier to usefulness of the NASC RESPORG change service. Specifically, the requirement that a written authorization be mailed by the receiving RESPORG is overly burdensome. Media other than paper (i.e., facsimile, electronic and batch update) should be acceptable for the submission of requests to the NASC. Limiting these transmissions to paper inhibits the flexibility and efficiency that other media would provide, and unnecessarily delays the change. For decades, businesses have relied on technology for distributing information, completing transactions and updating

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<sup>231/</sup> MCI, as the end user subscriber, requested the NASC (Bellcore) to safeguard against the unauthorized transfer of particular 800 numbers. On September 13, 1993, Bellcore indicated that the issue must be brought before the BOC Management Team for review as it would require a change to the SMS Tariff. It was clear that Bellcore considered MCI's request a RESPORG, rather than an end user, request. MCI raised the issue with the NASC (Lockheed) and sent a list of critical numbers on November 22, 1993. The NASC agreed to review the issue with Database Services Management, Inc. MCI is unaware of any resolution.

records.<sup>232/</sup> It is unreasonable for the BOCs to require protracted use of an outdated method for initiating critical RESPORG changes. Thus, MCI requests that the Commission reject these unreasonable provisions and require the LECs to implement and tariff alternative, improved mechanisms for transmitting information to the NASC.

Also, requiring a RESPORG to certify that it has the written authorization of the customer may preclude carriers from using procedures like those for outbound services sales verification, e.g., third party verification. MCI has demonstrated<sup>233/</sup> that it would serve the public interest if the NASC will accommodate these verification methods, and MCI urges the Commission to reject this provision and require the BOCs (and their agent, the NASC) and all RESPORGs to adopt verification methods that are consistent with outbound sales procedures. AT&T has recently expressed its support of MCI's position and asked that the Commission establish that third party verification procedures to validate RESPORG changes be accepted by all carriers.<sup>234/</sup>

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<sup>232/</sup> The Commission, for example, recently required facsimile communications of petitions against tariffs filed on 14 days notice, as a means to accommodate a more rapid movement of information than occurs by mailing. See Amendment to Section 1.773 of the Commission's Rules Regarding Pleading Cycle for Petitions Against Tariff Filings Made on 14 Days' Notice, Report and Order, CC Docket No. 92-117, 8 FCC Rcd 1683 (1993).

<sup>233/</sup> See Petition for Clarification or, in the Alternative, Reconsideration, CC Docket No. 86-10, filed by MCI on April 29, 1993.

<sup>234/</sup> AT&T Ex Parte, CC Docket No. 86-10, filed October 28, 1993.

Additionally, in order to assure that changes are implemented in a timely manner, several carriers support Allnet's petition,<sup>235/</sup> requesting that RESPORG changes be made within two business days of the request.<sup>236/</sup> These timeframes have been adopted by the industry,<sup>237/</sup> and MCI requests that the Commission require the BOCs to incorporate explicitly in the SMS Tariff as well for NASC RESPORG changes. The RBOCs' proposal to substitute a "negotiated interval" for the two business days is unreasonable and potentially discriminatory and would result in excessive postponement of the change. The RBOCs promise that "[i]f the volume of Resp Org change requests over time indicates the feasibility of performing changes

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<sup>235/</sup> Emergency Petition for Declaratory Ruling or, in the Alternative, Rulemaking, filed by Allnet Communication Services, Inc. (Allnet) on February 17, 1993.

<sup>236/</sup> See the following Comments to the Allnet Petition: Business Telecom, Inc. (BTI) at 4 ("Consistent with the Allnet Petition, BTI believes that the Commission should insure that changes are conducted promptly. . ."); Competitive Telecommunications Association at 3 ("mak[ing] timely compliance with customer change requests mandatory rather than optional, would be a step in the right direction."); LDDS Communications, Inc., Section I ("To counterbalance natural business incentives to delay the loss of a customer, the FCC should adopt simple rules to insure that carriers and RespOrgs handle service conversion orders expeditiously"); Pacific Telecom at 2 ("[W]e would have no objection to a rule that required a RespOrg to meet an end user's requested due date within two business days of the due date as long as that due date has also been agreed to by the service provider."); and Sprint Communications Company LP at 2 ("Sprint agrees that changes should be made within two days from the time the resp org receives customer authorization, and urges mandatory application of this standard to all resp orgs.").

<sup>237/</sup> This resolution was adopted by the CLC Ad Hoc 800 Data Base Committee, Issue 42, Carrier/RespOrg Change Procedures at the February 23-24 meeting and modified at the March 23-24, 1993 meeting. (CLC Issue 42).



on a fixed time limit, appropriate tariff revisions will be made."<sup>238/</sup> However, they do not provide any evidence as to the volume of orders they have received. Nor do they claim that they have been unable to complete any RESPORG changes within the two business day period. Thus, the RBOCs have not justified these unreasonable provisions, and they should be rejected.

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<sup>238/</sup> RBOCs at 12.

#### IV. CONCLUSION

In sum, the LECs' direct cases did little to lend additional support for their 800 data base service rates. In fact, they merely provided further evidence of unreasonable costs and demand. Thus, MCI requests that the Commission disallow over \$ 30 million in exogenous costs from the 800 data base access rates and require the RBOCs to remove the excess costs included in SMS rates. Further, MCI requests that the Commission order the LECs to provide the additional support, reduce their rates and modify their tariff terms and conditions as recommended herein.

Respectfully Submitted,  
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Dated: April 15, 1994

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Exogenous Costs

Appendix I, Schedule A

**Exogenous Costs**

<u>Category</u>	<u>Ameritech (1)</u>	<u>Bell Atlantic (1)</u>	<u>Bell South (2)</u>	<u>NYNEX (3)</u>	<u>Pacific Bell (1)</u>	<u>Southwestern Bell (4)</u>	<u>U.S. West (1)</u>	<u>GTE (5)</u>	<u>Southern New England Tel. (2)</u>	<u>United (4)</u>	<u>Total Cos.</u>
L1 STP/SCP Signaling Link	\$11,121	\$1,919,089 (10)	\$30,580	\$133,584			\$104,077			\$1,456,330	\$3,654,791
L2 Local STP/Regional STP Signaling Link		\$1,199,857	\$43,355	\$65,966						\$454,316	\$2,663,514
L3 SCP/SSMS Signaling Link		\$86,626 (11)	\$19,949		(15)		\$6,372 (16)	\$62,847	\$69,407	\$32,286 (19)	\$277,486
L4 SCP	\$1,515,066 (9)	\$2,867,345	\$270,072 (13)	\$1,887,386 (14)	\$2,021,744	\$1,063,997	\$1,486,816 (16)	\$3,852,956	\$124,995 (17)	\$3,687,217	\$18,797,620
L5 Tandem Switch					\$3,369,122		\$2,807,959				\$6,177,081
L6 SMS	\$1,425,965 (9)	\$669,934 (10)	\$560,474 (13)	\$665,297 (14)	\$1,041,955 (15)	\$1,133,547	\$815,625 (16)	\$1,082,753	\$425,897 (17)	\$150,282 (19)	\$6,200,729
L7 SSP	\$3,072,799		\$424,730		\$795,994	\$1,402,999	\$2,476,612 (16)	\$2,581,920		\$868,280	\$11,623,334
L8 Sub-Total (6)	\$6,024,973	\$6,942,861	\$1,340,160	\$3,652,255	\$7,228,815	\$3,640,543	\$7,697,461	\$7,580,476	\$620,299	\$6,657,711	\$51,394,556
<b><u>Other</u></b>											
L9 Repair Center		\$483,007 (10)									\$483,007
L10 Billing		\$15,226 (10)					\$138,062 (16)	\$79,200	\$125,924 (18)		\$358,412
L11 Total Claimed 800 Database (7)	\$6,024,973	\$7,441,095	\$1,340,160	\$3,652,255	\$7,228,815	\$3,640,543	\$7,635,523	\$7,659,676	\$746,223	\$6,657,711	\$52,235,976
L12 Reduction for NXX Expenses		(\$559,792)(12)									(\$559,792)
L13 Total Exogenous Costs (8)	\$6,024,973	\$6,881,303	\$1,340,160	\$3,652,255	\$7,228,815	\$3,640,543	\$7,635,523	\$7,659,676	\$746,223	\$6,657,711	\$51,676,184

Notes are attached after Appendix IV, Schedule B

Exogenous Investment Related Costs

Appendix I, Schedule B.1

Exogenous Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	GTE (5)	Southern New England (2)	United Tel. (4)
<b>Total</b>										
STP/SCP Signalling Link Investment	43,360	3,375,635	28,905	459,943			318,604			2,674,797
Costs										
Depreciation	7,169	517,889	2,362	47,403			31,860			534,601
Net Return	1,976	406,748	3,071	26,248			36,108			150,493
Federal Income Tax	852	205,989	1,859	7,312			18,992			77,527
State & Local Income Tax			285							14,125
Maintenance	1,007	330,078	1,176	37,216			12,744			457,370
Administration		154,980		3,656			4,248			193,404
Other Tax	118	15,745	411				2,124			26,521
Other Direct Expenses		486,663	21,416	11,746						
Investment Cost	11,121	1,919,099 (10)	30,580	133,964			104,077			1,456,330
Local STP/Regional STP Signalling Link Investment		3,036,106	51,822	3,277,713						193,829
Costs										
Depreciation		287,879	4,230	341,027						36,782
Net Return		354,835	5,503	183,700						10,905
Federal Income Tax		157,987	3,329	49,745						5,618
State & Local Income Tax			507							948
Maintenance		261,471	2,095	274,564						32,660
Administration		117,164		18,280						14,321
Other Tax		20,541	733							2,332
Other Direct Expenses			26,958	103,107						348,750
Investment Cost		1,199,857	43,355	965,966						454,316
SCP/SMS Signalling Link Investment								114,807		
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										32,286
Administration										
Other Tax										
Other Direct Expenses		88,626 (11)	19,949		(15)		1,278,534	69,407		
Investment Cost		88,626	19,949				6,372 (16)	69,407		32,286 (19)
SCP Investment	6,451,717	6,749,799	633,360	6,470,871	4,121,871	2,098,998	3,489,771	1,078,926		6,772,200
Costs										
Depreciation	774,981	631,975	66,165	666,645	308,127	174,000	768,697		26,114	1,354,267
Net Return	329,367	612,665	66,646	361,070	382,724	135,000	392,944		50,531	361,027
Federal Income Tax	143,371	412,606	53,621	92,588	106,763	56,000	201,782		24,520	196,267
State & Local Income Tax	23,249		5,179		32,434	4,000			9,371	35,788
Maintenance	228,619	667,445	39,645	526,243	112,169	657,999				1,157,900
Administration		310,899		37,873	256,772	24,000	70,093		14,459 (17)	486,672
Other Tax	15,500	31,565	11,614				53,101			72,210
Other Direct Expenses		(9)	(13)	198,331 (14)	852,754	30,998		4,300,049		
Investment Cost	1,515,068	2,867,345 (4)	270,072	1,887,366	2,021,744	1,083,997	1,486,617 (16)		124,965	3,687,217
Tandem Switch Investment					7,870,746		12,232,282			
Costs										
Depreciation					587,873		341,968			
Net Return					673,014		1,374,243			
Federal Income Tax					204,066		709,424			
State & Local Income Tax										
Maintenance					62,166		242,139			
Administration					214,678		70,093			
Other Tax					490,570		70,093			
Other Direct Expenses					1,136,555					
Investment Cost					3,369,122		2,807,959			
SSP Investment	9,807,365						7,368,236			
Costs										
Depreciation	1,181,846					7,000	463,037			
Net Return	507,613					6,000	830,493			
Federal Income Tax	201,495						429,053			
State & Local Income Tax	42,624									
Maintenance	875,729					1,327,999	223,022			
Administration						16,000	97,705			
Other Tax	158,671						80,713			
Other Direct Expenses	104,822		424,730		795,994	45,998		2,861,920		868,280
Investment Cost	3,072,799		424,730		795,994	1,402,997	2,476,612 (16)			868,280
Total Investment	16,302,483	13,166,540	914,087	10,208,527	11,992,616	2,098,998	23,408,865	1,193,733		9,640,623
Costs										
Depreciation	1,963,996	1,237,743	74,757	1,055,076	896,000	161,000	1,605,782		26,114	1,927,920
Net Return	836,956	1,573,446	97,222	571,018	1,025,738	141,000	2,633,789		50,531	1,927,920
Federal Income Tax	343,719	778,572	58,809	149,645	310,630	56,000	1,357,251		24,520	279,431
State & Local Income Tax	65,875		8,971		94,600	4,000			9,371	50,839
Maintenance	1,103,355	1,298,994	42,916	838,024	327,047	1,965,998	477,905			1,660,362
Administration		583,032		59,809	747,342	40,000	242,139		14,459	867,386
Other Tax	174,467	67,651	12,938				206,030			103,083
Other Direct Expenses	104,822	575,289	493,053	313,386	2,783,303	78,996		8,460,503	69,407	1,217,010
Total Investment Cost	4,599,008	6,072,927	788,686	2,986,956	8,186,860	2,486,994	6,981,837		194,402	6,498,429
SMS Costs	1,425,965 (9)	989,954 (10)	560,474 (13)	665,297 (14)	1,041,955	1,153,547	815,625 (16)	1,082,755	423,697 (17)	159,282 (19)
Other Costs		498,233 (10)					138,062 (16)	79,200	125,924 (16)	
Reduction for NDX Expense		(589,792)(12)								
Total Exogenous Cost	6,024,973	6,881,302	1,349,160	3,652,255	7,228,815	3,640,541	7,835,524	1,161,953	748,223	6,657,711

Excess Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	QTE (5)	Southern New England (2)	United Tel. (4)
<u>Land</u>										
STP/SCP Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Other Direct Expenses										
Investment Cost										
Local STP/Regional STP Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP/SMS Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP Investment			1,231			37,945				
Costs										
Depreciation										
Net Return			126			4,054				
Federal Income Tax			76			1,351				
State & Local Income Tax			12			403				
Maintenance						429				
Administration						1,845				
Other Tax			17							
Investment Cost			231			8,063				
Tandem Switch Investment						72,454				
Costs										
Depreciation										
Net Return						6,379				
Federal Income Tax						2,549				
State & Local Income Tax						769				
Maintenance						619				
Administration						3,522				
Other Tax										
Investment Cost						16,038				
SSP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Total Investment			1,231			110,399				
Costs										
Depreciation										
Net Return			126			12,433				
Federal Income Tax			76			3,900				
State & Local Income Tax			12			1,172				
Maintenance						1,248				
Administration						5,367				
Other Tax			17							
Total Investment Cost			231			24,121				



Excess Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	GTE (5)	Southern New England (2)	United Tel. (4)
<u>Buildings</u>										
STP/SCP Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Other Direct Expenses										
Investment Cost										
Local STP/Regional STP Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP/BMS Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP Investment			16,396			443,024				
Costs										
Depreciation			1,340			13,514				
Net Return			1,740			25,677				
Federal Income Tax			1,053			6,109				
State & Local Income Tax			161			2,703				
Maintenance			780			6,757				
Administration						16,217				
Other Tax			232							
Investment Cost			5,306			72,977				
Tandem Switch Investment						845,928				
Costs										
Depreciation						24,532				
Net Return						46,832				
Federal Income Tax						14,851				
State & Local Income Tax						4,479				
Maintenance						14,127				
Administration						30,065				
Other Tax										
Investment Cost						136,906				
SSP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Total Investment			16,396			1,288,952				
Costs										
Depreciation			1,340			36,046				
Net Return			1,740			74,526				
Federal Income Tax			1,053			22,960				
State & Local Income Tax			161			7,182				
Maintenance			780			20,884				
Administration						46,282				
Other Tax			232							
Total Investment Cost			5,306			206,683				

Excess Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(2)	QTE (5)	Southern New England (2)	United Tel. (4)
<u>General Purpose Computers</u>										
STP/SCP Signaling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Local STP/Regional STP Signaling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP/RMS Signaling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP Investment							3,489,771			
Costs										
Depreciation							788,897			
Net Return							392,944			
Federal Income Tax							201,782			
State & Local Income Tax										
Maintenance										
Administration							70,093			
Other Tax							53,101			
Investment Cost							1,486,817			
Tandem Switch Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SSP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Total Investment							3,489,771			
Costs										
Depreciation							788,897			
Net Return							392,944			
Federal Income Tax							201,782			
State & Local Income Tax										
Maintenance										
Administration							70,093			
Other Tax							53,101			
Total Investment Cost							1,486,817			

Excess Investment Related Costs

Ameritech (1) Bell Atlantic (1) Bell South (2) NYNEX (2) Pacific Bell (1) Southwestern Bell (4) US West (1)(20) GTE (5) Southern New England (2) United Tel. (4)

Analog SwitchingSTP/SCP Signalling Link  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

Local STP/Regional STP Signalling Link  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

SCP/BMS Signalling Link  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

SCP  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

Tandem Switch  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

SSP  
Investment

3,880,591

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

303,735  
437,549  
225,147  
114,897  
42,480  
42,480  
1,166,069

Total  
Investment

3,880,591

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax

303,735  
437,549  
225,147  
114,897  
42,480  
42,480

## Total Investment Cost

1,166,069

Excess Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	GTE (5)	Southern New England (2)	United Tel. (4)
<u>Digital Switching</u>										
STP/SCP Signalling Link Investment		3,304,045	24,445				127,441			2,674,797
Costs										
Depreciation		309,353	1,996				8,496			534,691
Net Return		387,800	2,596				14,888			150,483
Federal Income Tax		201,972	1,570				6,372			77,527
State & Local Income Tax			240							14,128
Maintenance		328,716	1,163				8,496			457,370
Administration		152,181					2,124			193,404
Other Tax		15,451	346							28,521
Other Direct Expenses			21,416							
Investment Cost		1,403,572	29,327				40,356			1,454,330
Local STP/Regional STP Signalling Link Investment		2,787,824	41,449							193,826
Costs										
Depreciation		256,549	3,388							38,782
Net Return		328,881	4,404							10,905
Federal Income Tax		148,205	2,664							5,618
State & Local Income Tax			408							948
Maintenance		254,107	1,972							32,689
Administration		108,898								14,321
Other Tax		19,046	587							2,332
Other Direct Expenses			26,938							348,730
Investment Cost		1,115,355	40,377							454,316
SCP/BMS Signalling Link Investment										
Costs										
Depreciation										32,286
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Other Direct Expenses			19,940							(19)
Investment Cost			19,940							32,286
SCP Investment	6,451,717	6,749,799	815,733	6,470,871	3,641,226	2,098,998		1,078,926	500,000	6,772,200
Costs										
Depreciation	774,981	631,975	66,825	666,645	294,939	169,000			25,114	1,354,267
Net Return	328,367	812,885	86,782	361,070	322,726	134,000			50,531	381,027
Federal Income Tax	143,371	412,606	52,492	92,588	98,107	58,000			24,520	196,287
State & Local Income Tax	23,240		8,006		29,587	4,000			9,371	35,758
Maintenance	228,619	667,445	38,865	526,243	104,867					1,157,986
Administration		310,889		37,873	239,254					486,672
Other Tax	15,500	31,585	11,585							72,210
Other Direct Expenses	(9)		(13)	198,391 (14)				4,300,049		
Investment Cost	1,515,088	2,867,345	264,535	1,887,388	1,089,480	365,000			110,556	3,687,217
Tandem Switch Investment					6,952,698		12,223,756			
Costs										
Depreciation					563,169		339,844			
Net Return					616,225		1,374,243			
Federal Income Tax					187,330		709,424			
State & Local Income Tax					56,494					
Maintenance					200,238		242,139			
Administration					456,840		70,093			
Other Tax							70,093			
Investment Cost					2,080,296		2,805,835			
SSP Investment	9,807,385						3,389,942			
Costs										
Depreciation	1,181,846						146,558			
Net Return	507,613						382,324			
Federal Income Tax	201,495						197,534			
State & Local Income Tax	42,624									
Maintenance	875,729						106,201			
Administration							53,101			
Other Tax	158,671						36,108			
Other Direct Expenses	104,622		424,730					2,881,920		868,280
Investment Cost	3,072,799		424,730							868,280
Total Investment	16,259,102	12,641,688	881,627	6,470,871	10,593,924	2,098,998	15,741,139	1,078,926	500,000	9,640,823
Costs										
Depreciation	1,956,627	1,199,877	72,207	666,645	858,106	169,000	494,898		25,114	1,927,920
Net Return	636,980	1,539,346	93,782	361,070	938,651	134,000	1,771,436		50,531	542,425
Federal Income Tax	344,667	760,783	56,728	92,588	285,437	58,000	913,330		24,520	278,431
State & Local Income Tax	65,673		8,652		86,081	4,000			9,371	50,629
Maintenance	1,104,348	1,248,269	42,000	526,243	305,105		356,636			1,880,352
Administration		571,935		37,873	696,094		125,317			967,398
Other Tax	174,371	66,662	12,498				106,201			106,653
Other Direct Expenses	104,622		493,053	198,531				2,881,920		1,217,010
Total Investment Cost	4,587,867	5,386,272	778,918	1,887,388	3,169,776	365,000	3,768,018		110,556	6,496,429

Exogenous Investment Related Costs

Americitech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	QTE (5)	Southern New England (2)	United Tel (4)
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Radio SystemSTP/SCP Signaling Link  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

Local STP/Regional STP Signaling Link  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

SCP/BMS Signaling Link  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

SCP  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

Tandem Switch  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

SSP  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

Total  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax

Total Investment Cost

Excess Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	GTE (5)	Southern New England (2)	United Tel. (4)
<u>Circuit Equipment</u>										
STP/BCP Signalling Link Investment	42,585	71,483	3,541	459,943			191,162			
Costs										
Depreciation	7,130	8,528	292	47,403			23,364			
Net Return	1,937	7,838	379	26,246			21,240			
Federal Income Tax	852	4,022	229	7,312			10,620			
State & Local Income Tax			35							
Maintenance	1,007	3,362		37,216			4,248			
Administration		2,797		3,656			2,124			
Other Tax	116	294	51				2,124			
Other Direct Expenses				11,746						
Investment Cost	11,043	26,642	986	131,366			63,721			
Local STP/Regional STP Signalling Link Investment		233,419	7,670	3,268,183						
Costs										
Depreciation		28,427	628	341,027						
Net Return		24,444	617	183,700						
Federal Income Tax		10,954	494	47,527						
State & Local Income Tax			75							
Maintenance		7,195	84	274,554						
Administration		7,798		16,260						
Other Tax		1,403	109							
Investment Cost		60,221	2,207	965,986						
SCP/BMS Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Tandem Switch Investment							8,496			
Costs										
Depreciation							2,124			
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost							2,124			
SSP Investment							97,705			
Costs										
Depreciation							12,744			
Net Return							10,520			
Federal Income Tax							6,372			
State & Local Income Tax										
Maintenance							2,124			
Administration							2,124			
Other Tax							2,124			
Investment Cost							36,108			
Total Investment	42,585	304,912	11,211	3,728,125			297,363			
Costs										
Depreciation	7,130	36,986	920	388,431			36,232			
Net Return	1,937	32,282	1,166	206,948			31,880			
Federal Income Tax	852	14,976	723	54,639			16,992			
State & Local Income Tax			110							
Maintenance	1,007	10,557	84	311,780			6,372			
Administration		10,506		21,935			4,248			
Other Tax	116	1,696	160				4,248			
Total Investment Cost	11,043	107,063	3,193	1,097,352			101,953			

### Exogenous Investment Related Costs

Ameritech (1) Bell Atlantic (1) Bell South (2) NYNEX (3) Pacific Bell (1) Southwestern Bell (4) US West (1)(20) GTE (5) Southern New England (2) United Tel. (4)

### Other Terminal Equipment

**STP/SOP Signalling Link Investment**

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

**Local STP/Regional STP Signalling Link Investment**

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax  
Investment Cost

**SOP/SMS Signalling Link Investment**

- Costs
  - Depreciation
  - Net Return
  - Federal Income Tax
  - State & Local Income Tax
  - Maintenance
  - Administration
  - Other Tax
  - Investment Cost

SCP  
Investment

- Costs
  - Depreciation
  - Net Return
  - Federal Income Tax
  - State & Local Income Tax
  - Maintenance
  - Administration
  - Other Tax
  - Investment Cost

### Tandem Switch Investment

- Costs
  - Depreciation
  - Net Return
  - Federal Income Tax
  - State & Local Income Tax
  - Maintenance
  - Administration
  - Other Tax
  - Investment Cost

**SSP**  
**Investment**

- Costs
- Depreciation
- Net Return
- Federal Income Tax
- State & Local Income Tax
- Maintenance
- Administration
- Other Tax
- Investment Cost

Total  
Investment

Costs  
Depreciation  
Net Return  
Federal Income Tax  
State & Local Income Tax  
Maintenance  
Administration  
Other Tax

**Total Investment Cost**

Exogenous Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	QTE (5)	Southern New England (2)	United Tel. (4)
<u>Poles</u>										
STP/SCP Signalling Link Investment		26	28							
Costs										
Depreciation		2								
Net Return		2								
Federal Income Tax		2								
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost		6								
Local STP/Regional STP Signalling Link Investment		5,262	81							
Costs										
Depreciation		326	7							
Net Return		554	10							
Federal Income Tax		246	6							
State & Local Income Tax			1							
Maintenance		64	1							
Administration		143								
Other Tax		33	1							
Investment Cost		1,366	26							
SCP/SMB Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Tandem Switch Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SSP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Total Investment		5,288	109							
Costs										
Depreciation		327	7							
Net Return		555	10							
Federal Income Tax		248	6							
State & Local Income Tax			1							
Maintenance		64	1							
Administration		143								
Other Tax		33	1							
Total Investment Cost		1,372	26							



Excess Investment Related Costs

	Ameritech (1)	Bell Atlantic (1)	Bell South (2)	NYNEX (3)	Pacific Bell (1)	Southwestern Bell (4)	US West (1)(20)	GTE (5)	Southern New England (2)	United Tel. (4)
<u>Aerial Cable</u>										
STP/SCP Signalling Link Investment		26	156							
Costs										
Depreciation		2	15							
Net Return		2	19							
Federal Income Tax		2	12							
State & Local Income Tax			2							
Maintenance			3							
Administration										
Other Tax			3							
Investment Cost		6	54							
Local STP/Regional STP Signalling Link Investment		5,282	460							
Costs										
Depreciation		326	37							
Net Return		554	49							
Federal Income Tax		246	29							
State & Local Income Tax			4							
Maintenance		84	7							
Administration		143								
Other Tax		35	6							
Investment Cost		1,366	132							
SCP/BMS Signalling Link Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SCP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Tandem Switch Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
SSP Investment										
Costs										
Depreciation										
Net Return										
Federal Income Tax										
State & Local Income Tax										
Maintenance										
Administration										
Other Tax										
Investment Cost										
Total Investment		5,286	616							
Costs										
Depreciation		327	52							
Net Return		555	68							
Federal Income Tax		248	41							
State & Local Income Tax			6							
Maintenance		64	10							
Administration		143								
Other Tax		33	9							
Total Investment Cost		1,372	186							